## Message Text

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PAGE 01 SAN JO 04470 01 OF 02 142222Z

67

**ACTION ARA-10** 

INFO OCT-01 ISO-00 SSO-00 NSCE-00 USIE-00 CPR-01 PM-04

SAM-01 NSC-05 OPR-02 PA-01 PRS-01 SS-15 SY-05 A-01

L-03 JUSE-00 SEC-01 CIAE-00 INR-07 NSAE-00 INRE-00

SCA-01 /059 W

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O 142130Z SEP 76

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC IMMEDIATE 5084

LIMITED OFFICIAL USE SECTION 1 OR 2 SAN JOSE 4470/1

E.O. 11652: N/A TAGS: OVIP, CS

SUBJECT: VISIT OF ASSISTANT SECRETARY SHLAUDEMAN: QUESTIONS AND ANSWERS FOR ARRIVAL PRESS CONFERENCE

## 1. FOLLOWING

ARE SAMPLE QUESTIONS AND SUGGESTED ANSWERS FOR
USE BY ASSISTANT SECRETARY SHLAUDEMAN AT AIRPORT PRESS
CONFERENCE FOLLOWING HIS ARRIVAL SAN JOSE SEPTEMBER 19:
A. QUESTION: WHAT IS THE U.S. FINALLY GOING TO DO ABOUT
VESCO? DO YOU PLAN TO MAKE AN EXTRADITION REQUEST?
ANSWER: THE DEPARTMENT OF JUSTICE IS REVIEWING THE
LATEST INDICTMENT HANDED DOWN BY A GRAND JURY IN THE
SOUTHERN DISTRICT OF NEW YORK AGAINST ROBERT VESCO AND HIS
ASSOCIATES. AS YOU ARE AWARE, THE CHARGE IS SECURITY FRAUD
AGAINST INTERNATIONAL OVERSEAS SERVICES (IOS) INVOLVING
APPROXIMATELY 100,000,000 DOLLARS. AS SOON AS A DECISION
IS MADE BY THE DEPARTMENT OF JUSTICE, THE DEPARTMENT OF
STATE AND THE EMBASSY IN SAN JOSE WILL PROCEED ACCORDINGLY.

B. QUESTION: HAS VESCO EVER BEEN FOUND GUILTY OF COMMISSION OF THE CRIME?

ANSWER: UNDER THE U.S. SYSTEM OF LAW, PERSONS ACCUSED LIMITED OFFICIAL USE

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PAGE 02 SAN JO 04470 01 OF 02 142222Z

OF COMMITTING A CRIME CANNOT BE TRIED IN ABSENTIA. UNTIL

SUCH TIME AS MR. VESCO STANDS BEFORE THE BAR OF JUSTICE, NO LEGAL DETERMINATION CAN BE MADE OF THE CHARGES AGAINST HIM. OUR INTEREST IN EXTRADITING MR. VESCO IS TO ENSURE THAT HE STAND BEFORE THE BAR OF JUSTICE JUST LIKE ANY OTHER U.S. CITIZEN WHO HAS BEEN CHARGED WITH A CRIME.

C. QUESTION: WHAT ABOUT THE VESCO LAW?

ANSWER: I WOULD ASSUME THAT ANY EXTRADITION REQUEST THAT
THE U.S. MAKES IN COSTA RICA WOULD BE BASED ON THE EXTRADITION TREATY BETWEEN THE U.S. AND COSTA RICA.

D. QUESTION: WHY IS THE U.S. HOLDING A LATIN AMERICAN
LABOR ATTACHE CONFERENCE IN SAN JOSE? DOES IT MEAN THAT
THE U.S. IS GOING TO CHANGE THE LABOR POLICY IN LATIN AMERICA?
ANSWER: THE MEETING OF U.S. LABOR ATTACHES ASSIGNED TO
LATIN AMERICA AND THE CARIBBEAN IS BEING HELD TO REVIEW
U.S. GOVERNMENT POLICIES AND PROGRAMS IN THIS FIELD. IT
IS A PERIODIC EVENT WHICH ALSO INVOLVES HIGH FUNCTIONARIES
FROM THE DEPARTMENT OF STATE, LABOR AND AID. THE CONFERENCE
IS BEING HELD IN SAN JOSE BECAUSE COSTA RICA IS A
LATIN AMERICAN COUNTRY IN WHICH THE DEMOCRATIC LABOR MOVEMENT
EXISTS AND THRIVES. IN THE DEMOCRATIC SYSTEM THE
COSTA RICANS AND THE U.S.A. BOTH SHARE, THE DEMOCRATIC
LABOR MOVEMENT IS THE BEST GUARANTEE OF SUCCESS IN
EFFORTS TO BETTER THE LIVING STANDARDS AND WORKING
CONDITIONS OF THE WORKING PEOPLE.

E. QUESTION: THE U.S. RECENTLY HAS ANNOUNCED THAT U.S. MILITARY GROUPS IN COSTA RICA AND SOME OTHER LATIN COUNTRIES WILL BE TERMINATED. WHAT IS THE MEANING OF THIS DEVELOPMENT?

ANSWER: IN THE CASE OF COSTA RICA, IT HAS NO SIGNIFICANCE.
THE TWO-MAN MILITARY GROUP IN COSTA RICA PERFORM NO ADVISORY
FUNCTIONS BUT LIMITS ITSELF TO SECURITY ASSISTANCE LIAISON
MATTERS, AND TO COORDINATION IN MATTERS OF CIVIC ACTION
AND DISASTER RELIEF. THOSE FUNCTIONS WILL NOW BE
DISCHARGED BY PERSONNEL ASSIGNED DIRECTLY TO THE STAFF OF
AMBASSADOR TODMAN. IN THE OTHER LATIN COUNTRIES,
U.S. MILITARY PERSONNEL ASSIGNED TO THE EMBASSY STAFFS WILL
BE PERFORMING THE SAME FUNCTIONS AS THE MILGP HERE NOW PERFORM.
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PAGE 03 SAN JO 04470 01 OF 02 142222Z

F. QUESTION: WILL THE U.S. ENACT NEW SUGAR LEGISLATION? (COSTA RICA WOULD LIKE TO SEE THE QUOTA SYSTEM REINSTITUTED BECAUSE THEY BELIEVE IT WOULD BRING HIGHER PRICES.)

ANSWER: WE DO NOT EXPECT NEW SUGAR LEGISLATION TO BE ENACTED THIS YEAR. IT MAY BE THAT SUGAR PROBLEMS COULD BE HANDLED BETTER IN THE CONTEXT OF AN INTERNATIONAL AGREEMENT. SECRETARY KISSINGER HAS EXPRESSED STRONG SUPPORT FOR THE

CONCEPT THAT PRODUCING AND CONSUMING COUNTRIES SHOULD WORK OUT FEASIBLE ARRANGEMENTS FOR DEALING WITH COMMODITY PROBLEMS.

G. QUESTION: WHAT ARE THE POSSIBILITIES FOR SHIPPING MORE MEAT TO THE U.S. THIS YEAR?

ANSWER: UNFORTUNATELY, AN INCREASE IN ALLOCATIONS FOR COUNTRIES THAT WOULD LIKE TO SUPPLY MORE MEAT TO THE U.S. MARKET THIS YEAR IS UNLIKELY BECAUSE IT DOES NOT APPEAR THAT THERE WILL BE AN OVERALL SHORTFALL IN PERMISSIBLE IMPORTS AND THERE IS AN EXCESS SUPPLTC OF DOMESTIC U.S. HIGH QUALITY MEAT. WE HOPE THAT IT WILL BE POSSIBLE TO PROVIDE INCREASED ALLOCATIONS NEXT YEAR.

H. QUESTION: WHAT ABOUT SECRETARY KISSINGER'S PROMISE TO FOREIGN MINISTER FACIO THAT THE COSTA RICAN ALLOCATION FOR THIS YEAR WOULD BE INCREASED?

ANSWER: I KNOW FOR A FACT THAT SECRETARY KISSINGER DEVOTED MUCH TIME AND ATTENTION TO THE QUESTION OF COSTA RICA'S MEAT PROBLEM, TO SEE IF THERE WAS SOME WAY WITHIN THE FRAMEWORK OF U.S. LEGISLATION AND OUR GLOBAL MEAT PROGRAM, TO INCREAS COSTA RICA'S EXPORTS TO THE U.S. WE EXPLAINED EVERY ANGLE BUT IT JUST WAS NOT POSSIBLE TO INCREASE COSTA RICA'S ALLOCATION THIS YEAR.

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PAGE 01 SAN JO 04470 02 OF 02 142227Z

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ACTION ARA-10

INFO OCT-01 ISO-00 SSO-00 NSCE-00 USIE-00 CPR-01 PM-04

SAM-01 NSC-05 OPR-02 PA-01 PRS-01 SS-15 SY-05 A-01

L-03 JUSE-00 SEC-01 CIAE-00 INR-07 NSAE-00 INRE-00

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O 142130Z SEP 76

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC IMMEDIATE 5085

LIMITED OFFICIAL USE SECTION 2 OF 2 SAN JOSE 4470/2

I. QUESTION: IS CONGRESS GOING TO END SECTION 807 DRAWBACK PROVISIONS?

ANSWER: A BILL HAS BEEN APPROVED BY A CONGRESSIONAL COMMITTEE THAT WOULD HAVE THAT EFFECT BUT WE DO NOT EXPECT IT TO BE APPROVED BY THE CONGRESS. THE DRAWBACK PROVISION IS A LOGICAL AND SENSIBLE TARIFF PROVISION IN THAT IT PREVENTS TAXATION UPON ENTRY INTO THE U.S. OF U.S. ORIGIN MATERIALS AND COMPONENTS THAT HAVE BEEN INCORPORATED INTO PRODUCTS IMPORTED INTO THE U.S. IN THE ABSENCE OF SUCH A PROVISION, MANUFACTURERS ABROAD WHO SHIP THEIR PRODUCTS TO THE U.S. WOULD HAVE NO INCENTIVE TO USE U.S. MATERIALS AND COMPONENTS IN THEIR PRODUCTS.

J. QUESTION: WHY IS THE U.S. THE ONLY DEVELOPED NATION ASKING THE LDC FOR RECIPROCITY IN THE GENEVA NEGOTIATIONS?

ANSWER: WE ARE PLEDGED TO WORK FOR SPECIAL TREATMENT OF DEVELOPING COUNTRIES IN THE MTN AND ARE PREPARED TO HONOR THAT PLEDGE IN A NUMBER OF SIGNIFICANT WAYS, MOST NOTABLY BY WORKING FOR DEEPER TARIFF REDUCTIONS ON ITEMS OF SPECIAL INTEREST TO DEVELOPING COUNTRIES. WE ALSO SUPPORT SPECIAL TREATMENT OF LDC IN "SAFEGUARDS PROCEDURES", AND WE HAVE LIMITED OFFICIAL USE

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PAGE 02 SAN JO 04470 02 OF 02 142227Z

LOWERED TO ZERO OUR OWN TARIFF ON 2700 PRODUCTS THAT COULD BE SUPPLIED TO OUR MARKET UNDER THE GENERALIZED SYSTEM OF PREFERENCES (GSP). WE ARE NOT ASKING FOR FULL RECIPROCITY FROM DEVELOPING COUNTRIES BUT WE DO BELIEVE THAT DEVELOPING COUNTRIES PARTICIPATING IN THE TROPICAL PRODUCTS NEGOTIATIONS SHOULD MAKE "CONTRIBUTIONS" IN THE FORM OF CONCESSIONS ON SOME ITEMS OF TRADE INTEREST TO US. WE ACCEPT THAT CONTRIBUTIONS FROM POORER COUNTRIES SHOULD BE LESS THAN FROM THOSE IN HIGHER STAGES OF DEVELOPMENT.

K. QUESTION: WHAT IS THE U.S. ATTITUDE TOWARD FOREIGN MINISTER FACIO'S PROPOSAL THAT THE U.S. GIVE PREFERENCES TO LATIN AMERICAN TRADE LIKE THOSE THAT THE EUROPEAN COMMUNITY OFFERS TO OTHER DEVELOPING COUNTRIES THROUGH THE TREATY OF LOME?

ANSWER: WE ARE STUDYING THE FACIO PROPOSAL WITH INTEREST. MANY ELEMENTS OF THE PROPOSAL COULD ONLY BE IMPLEMENTED THROUGH LEGISLATION. WE ARE TRYING TO DETERMINE WHICH OF THE GENERAL OBJECTIVES OF THE PROPOSAL COULD BE ACHIEVED THROUGH THE MULTILATERAL NEGOTIATIONS IN GENEVA.

2. OTHER QUESTIONS CAN BE EXPECTED ABOUT THE FOLLOWING DEVELOPMENT ISSUES: PANAMA CANAL, SALVADOR-HONDURAS DISPUTE, AND U.S. POLICY TOWARD CUBA ON MILITARISM IN LATIN AMERICA,

IMPORT OF THE ELECTIONS ON U.S. FOREIGN AND LATIN AMERICAN
POLICIES AND U.S. POLICY IN AFRICA.
TODMAN

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To: STATE

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